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Lebanon

Political, Economic and Sociologic Conditions

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1. "Since the days when Tyre and Sidon were the leading ports of the Mediterranean world, Lebanon has lived by trade. It is a tiny state with scant resources. Its imports are five to six times its commodity exports. Obviously it lives on invisibles. Some of them are evident enough. There is a large tourist traffic, encouraged by the refunding of travel costs by the Lebanese government. The mountains behind Beirut are dotted with hotels that are welcome refuges from the desert heat. Despite the nationalisms which have cut off physical trade with the hinterland there must also be a fair volume of financial and trading commissions. There is a thriving gold traffic mainly from France to the Far East by way of Kuwait. Since the Egyptian riots in January last, many foreign business firms have transferred their headquarters from Cairo to Beirut. The major European and American airlines now make Beirut their stopover. The most important invisible export, however, is the service offered to capital which is either in flight, as from Iran, or in excess, as from Iraq, Kuwait and Saudi Arabia. It is exceedingly difficult to set up a balance of payments for Lebanon since so much of the export receipts are payments for intangible services. A substantial fraction of the oil royalties from the Persian Gulf finds its way to Lebanon by way of capital investment in addition to lavish tourist expenditure. One Saudi Arab party had taken the whole fifth floor of the hotel where we stayed at Bhamoun and their entertainment expenditures could not have been small. One of them bought 1700 yards of the best brocade at a shop which we visited in Damascus. This must have cost about \$20,000. We were told many instances of tracts of land being bought and of large houses being built. The influx of capital from this source must be considerable.
2. "The inevitable result of this capital inflow plus the extraordinary influx of foreign, particularly US, business firms and government officials, has been to raise living costs, and especially, rentals. There is a large establishment at U.N.R.W.A. - the UN Relief and Works Agency for Refugees from Palestine and the Near East. In addition there are many international agencies with regional headquarters at Beirut, as well as both regional and local staffs for Point Four. All this involves difficulties for the local educational institutions.
3. "The government of Lebanon is weak and unstable. There is in fact no local patriotism which could be a basis for national governments anywhere in the Arab world. Present

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- There are two barracks complexes at Sarbogard, both occupied by Russian troops.
2. One is the new armored barracks at the junction of the Kereszturi road and an unnamed dirt road leading to the railroad station. This barracks was built in 1950 and at most can hold 550 men. It consists of two three-story buildings and four single-story garages and depots. It is now occupied by a Russian armored reconnaissance battalion of about 400 quite young men, wearing red and black shoulder boards. The equipment is 12 armored cars on rubber and 6 armored half-tracks.
  3. The infantry barracks is known as the "old barracks", and is on the Sarbogard-Sarbogard road, north of the village. The barracks consists of an officers' quarters and 11 buildings for enlisted men, besides garages and depots. All buildings are single-storied and on concrete foundations. It is now occupied by a Russian armored battalion of about 400 men. The men wear red and black shoulder boards, and the oldest of them are not over twenty-six. The battalion has thirty-four T-34/85 tanks, some of which bear the numbers 214, 218, 222. The auto park consists of 34 various trucks and some personnel cars. The numbers belong to the series: E-5-63..., E-5-76..., C-5-30..., C-6-82...
  4. At the same barracks there is a Russian motorized infantry battalion of about 400 men, with red and black shoulder boards.

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